

AMENDED IN SENATE JULY 2, 2003

AMENDED IN ASSEMBLY APRIL 10, 2003

AMENDED IN ASSEMBLY MARCH 25, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 998**

---

**Introduced by Assembly Members Lowenthal and Koretz**

February 20, 2003

---

An act to add Article 9.1 (commencing with Section 41998) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to air quality, and making an appropriation therefor.

### LEGISLATIVE COUNSEL'S DIGEST

AB 998, as amended, Lowenthal. Air quality: Nontoxic Dry Cleaning Incentive Program.

Existing law designates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards.

This bill would require the state board to impose a \$3 per gallon fee on every manufacturer of perchloroethylene in the state, and on every person that imports perchloroethylene into the state for use in dry cleaning, and to deposit the revenues generated by that fee in the Nontoxic Dry Cleaning Incentive Trust Account, which would be established in the Air Pollution Control Fund by the bill. The bill would increase that fee by \$1 each year until 2013, inclusive. The bill would authorize moneys deposited in the account to be continuously appropriated, without regard to fiscal years, for expenditure by the state board to fund a grant program and demonstration program, and would

require those programs to be developed by the state board. The grant program would provide \$10,000 grants to any eligible dry cleaner in the state that utilizes perchloroethylene in its operations to aid its transition to dry cleaning systems determined by the state board to be nontoxic and nonsmog/forming. The bill would require the state board to ensure that 50% of the grant moneys are awarded in a manner that directly ~~benefits low-income communities and communities of color that are disproportionately impacted by air pollution~~ *reduces air contaminants or reduces the public health risk associated with air contaminants in communities with the most significant exposure to air contaminants or localized contaminants or both, including communities of minority populations or low-income populations, or both.* The bill would require the state board, commencing January 1, 2007, and every 3 years thereafter, to provide a report to the Legislature evaluating the effectiveness of the grant program. The bill would require the demonstration program to be funded 50% by matching funds.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) State and federal scientific health agencies have determined
- 4 that perchloroethylene is either a probable, possible, or known
- 5 carcinogen.
- 6 (b) Occupational health studies have found elevated rates of
- 7 lung, cervical, bladder, and other cancers in dry cleaning workers.
- 8 (c) Laboratory studies have found increased numbers of
- 9 cancerous tumor in animals exposed to perchloroethylene.
- 10 SEC. 2. Article 9.1 (commencing with Section 41998) is
- 11 added to Chapter 3 of Part 4 of Division 26 of the Health and Safety
- 12 Code, to read:
- 13
- 14 Article 9.1. Nontoxic Dry Cleaning Incentive Program
- 15
- 16 41998. (a) (1) The state board shall impose a three dollar
- 17 (\$3.00) per gallon fee on every manufacturer of perchlorethylene
- 18 in the state and on every person that imports perchloroethylene
- 19 into the state for use in dry cleaning.



(2) The amount of the fee imposed pursuant to paragraph (1) shall increase by one dollar (\$1.00) per gallon on January 1, 2005, and shall increase by one dollar (\$1.00) each subsequent year, until January 1, 2013, inclusive.

(b) Moneys generated by the fee imposed pursuant to subdivision (a) shall be deposited in the Nontoxic Dry Cleaning Incentive Trust Account, which is hereby established in the Air Pollution Control Fund.

(c) Moneys deposited in the Nontoxic Dry Cleaning Incentive Trust Account are, notwithstanding Section 13340 of the Government Code, continuously appropriated, without regard to fiscal years, to the state board to fund the grant program described in Section 41999 and to fund the demonstration project described in subdivision (f) of Section 41999. The state board shall allocate, from the moneys derived from the imposition of the fee pursuant to this section, moneys that it determines are sufficient to fund the demonstration project described in subdivision (f) of Section 41999, and shall utilize the remaining moneys to fund the grant program.

(d) Not more than 5 percent of the moneys in the account, calculated annually, may be utilized by the state board to administer ~~both the grant and demonstration program~~ *programs*.

41999. (a) The state board shall develop and establish a grant program that provides incentives for dry cleaners in the state that utilize perchloroethylene in their operations to transition to utilizing dry cleaning systems determined by the state board to be nontoxic and nonsmog-forming.

(b) To be eligible for a grant pursuant to this section, applicants shall completely replace their perchloroethylene-based dry cleaning system with a system that the state board has determined to be nontoxic and nonsmog-forming. The state board shall determine the eligibility of grant recipients.

(c) The state board shall make grants available in the amount of ten thousand dollars (\$10,000) to any eligible dry cleaning operation for the purchase of a professional dry cleaning system that uses a nontoxic and nonsmog-forming process, as determined by the state board.

(d) The state board shall ensure that at least 50 percent of the grant moneys provided pursuant to this section are awarded in a ~~manner that directly benefits low-income communities and~~

1 ~~communities of color that are disproportionately impacted by air~~  
2 ~~pollution.~~ *manner that directly reduces air contaminants or*  
3 *reduces the public health risk associated with air contaminants in*  
4 *communities with the most significant exposure to air*  
5 *contaminants or localized air contaminants, or both, including,*  
6 *but not limited to, communities of minority populations or*  
7 *low-income populations, or both.*

8 (e) Commencing January 1, 2007, and every three years  
9 thereafter, the state board shall provide a report to the Legislature  
10 evaluating effectiveness of the grant program.

11 (f) The state board shall establish a demonstration program to  
12 showcase professional nontoxic and nonsmog forming dry  
13 cleaning technologies in the state. The demonstration program  
14 shall require 50 percent matching funds to cover the costs of the  
15 demonstration program. Any entity may contribute monies as  
16 matching funds, including, but not limited to, a state or federal  
17 agency, an air pollution control district or air quality management  
18 district, a public utility district, or a nonprofit entity.

